

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2349 – SB 2205

March 31, 2009

SUMMARY OF AMENDMENT (005540): Deletes Section 1 of the original bill. Prohibits any member or former member of the General Assembly from retaining health insurance benefits if convicted of a felony. Authorizes the spouse and children of the member or former member of the General Assembly convicted of a felony to retain health insurance benefits.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – If one current or former member of the General Assembly is convicted of a felony during FY09-10, and this individual is of average age, with an average life expectancy, total state expenditures would decrease by an amount estimated to exceed \$880,000 over the individual's remaining life (an average of \$35,400 per year for 25 years).

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – If one current or former member of the General Assembly is convicted of a felony during FY09-10, and this individual is of average age with an average life expectancy, total state expenditures will decrease by an amount estimated to exceed \$354,000 (an average \$14,171 per year x 25 years).

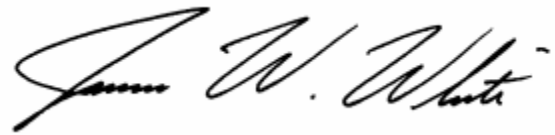
Assumptions applied to amendment:

- The average age of current and former members of the General Assembly is estimated to be 55 years old. Estimated life expectancy of current and former members of the General Assembly is 80 years old (25 years of coverage).
- Current monthly contribution for the state insurance plan for single health insurance coverage for calendar year 2009 is \$507.64 (\$6,091.68 per year).
- Six percent annual growth of health insurance premiums.

- The future expense of insurance premiums paid by the state over a 25-year period, assuming six percent annual growth of premiums, is estimated to be \$354,270.07 ($\$6,091.68 \times 1.06 \text{ each year} \times 25$).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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